

Deal of Grain For Red Gold

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BY MICHAEL O'NEILL and RICHARD MCGOWAN

Washington, Oct. 9 (NEWS Bureau)—President Kennedy, after weeks of political deliberation, finally gave the go-ahead tonight for the sale of 7 million tons of wheat to Russia and its satellites for \$875 million in dollars or gold.

The size of the unprecedented deal came as a surprise. Advance speculation had been that the sale—to Russia, Czechoslovakia, and Hungary—would involve only 5 or 6 million tons worth \$300 million.

This is a one-shot deal, the president said.

The president reported his decision to the nation by radio and TV by way of his press conference. Shortly before, he let Democratic and Republican leaders in on his decision at a late afternoon White House conference.

Kennedy ruled that the advantages of the deal definitely outweighed disadvantages. He was particularly pleased at the prospect that the \$875 million of Communist gold would make a major dent in the foreign debt on American dollars.

Sales Will Be Private

"I have concluded that wheat sales by private dealers . . . should not be prohibited by the government," Kennedy said.

The Department of Commerce will grant export licenses for their sale so long as they are for delivery to Europe only. "This means Soviet reshipment to China. They will be carried by U. S. ships, supplemented by others as required."

No one dealer will be allowed to take too much of the sale of the deal, he said.

The President said he would

would be sold at the world price, meaning that the government will subsidize the difference between the world price and the higher U. S. domestic price. But he said the subsidy would actually go to American farmers—not to the Communist nations.

"Foolish Not to"

"It would be foolish to halt the sale of our wheat when other countries can buy American wheat and then sell it to the Communists in the form of wheat flour," he said.

Kennedy said the decision does not represent a new Soviet-U. S. trade policy, but was a hopeful sign toward easing of world tensions.

"I think we can use the \$200 or \$250 million in gold which will help our balance of payments," he said.

The President disclosed that more than 4 million metric tons of wheat would be sold to Russia for \$250 million. Congressional leaders disclosed earlier that East European Communist satellites would buy another 3 million tons for a total outlay of \$875 million.

Asked About Space Accord

Asked about the agreement "in principle" between the U. S. and Russia not to put atomic weapons in outer space, he said:

"There isn't an agreement. The United States has stated it will not put weapons in outer space. The Soviet Union has stated also."

He said the CIA in Viet Nam has carried out policies, not laid down. It has not carried out secret activities but

control of its central headquarters, he said.

It has done a good job, Kennedy added.

We have received no response to the proposal for a joint trip to the moon, he said, adding that it requires the breakdown of a good many barriers.

"We Have No Guarantee"

There is no way that we can verify Russia's declaration that it will not put nuclear weapons into space, he told a questioner.

Machines increasingly take the place of men and we should prepare for the time when men have more leisure. It would be a mistake to reduce the 40-hour work week.

There have been no significant changes in Viet Nam as suggested by the White House policy statement, he said. The situation